

recognized that it is critical that new entrants have parity access to pre-ordering information so they can interact with their prospective customers and obtain, in real time, the information they need to order services for their customers.⁶⁵

87. The Commission has also found that the pre-ordering functions associated with both resale and UNE are generally analogous to the pre-ordering functions of an incumbent LEC's retail services.⁶⁶ Accordingly, it has held that incumbent LECs must provide access to their pre-ordering OSS for both resale and UNE transactions that is "equivalent to" the access which they provide to their retail operations.⁶⁷

88. Although SWBT currently offers pre-ordering interfaces for use by the CLECs through access to Verigate, DataGate, and EDI/CORBA,⁶⁸ none of these pre-ordering interfaces provides CLECs with pre-ordering capability which is "equivalent to" that which SWBT provides to its retail operations.

1. None of SWBT's Pre-Ordering Interfaces for UNEs Provides Parity Integrated Pre-Ordering and Ordering Functionality

89. The Commission has found that -- where an RBOC, like SWBT, provides its sales representatives with integrated pre-ordering and ordering capabilities -- it must offer an equivalent integrated pre-ordering and ordering capability to CLECs.⁶⁹ Without integrated pre-

⁶⁵ Id.; BellSouth-South Carolina Order ¶ 147.

⁶⁶ Bell South - South Carolina Order ¶ 148.

⁶⁷ Id. See also Bell Atlantic-New York Order, ¶ 44 ("where a retail analogue exists, a BOC must provide access that is equal to (i.e., substantially the same as) the level of access that the BOC provides itself . . . in terms of quality, accuracy, and timeliness").

⁶⁸ Ham Aff. ¶ 53.

⁶⁹ Bell Atlantic-New York Order ¶ 137.

ordering, CLECs must “cop[y] information from the pre-ordering screen and re-enter it manually into their own operations support systems and into the EDI ordering interface.”⁷⁰ The “additional costs, delays, and human errors likely to result from this lack of parity ‘ha[ve] a significant impact on a new entrant’s ability to compete effectively in the local exchange market and to serve its customers in a timely and efficient manner.’”⁷¹

90. SWBT does not claim that VeriGate is capable of providing integrated pre-ordering and ordering capabilities;⁷² and, in fact, it does not. Indeed, in Texas, SWBT specifically disclaimed reliance on Verigate as a basis for its present application,⁷³ and the Texas TPUC Staff concluded that any such reliance would be inappropriate in light of the fact that Verigate -- a SWBT proprietary graphical user interface -- cannot be integrated with an ordering interface.⁷⁴

91. AT&T is currently using SWBT's DataGate pre-ordering interface for its UNE-P operations. At the time that AT&T developed its pre-ordering and ordering interfaces, SWBT did not make available an industry standard pre-ordering interface. DataGate is not available as an integrated set of capabilities linked to the ordering/provisioning interfaces that SWBT offers. Rather a CLEC must undertake the task, which AT&T has pursued in its UNE-P

⁷⁰ BellSouth-Louisiana II Order ¶ 96.

⁷¹ Id.

⁷² Id. ¶¶ 57-59.

⁷³ TPUC Project No. 16251, SWBT Comments on the Three Month Performance Evaluation for SWBT, 11/1/99 at 4 (“Verigate is not the pre-order interface which SWBT will use as a basis for its FCC application”) (SWBT Appendix C, Vol. 135 (11/1/99)).

⁷⁴ TPUC Project No. 16251, Final Staff Report on Collaborative Process (“FSR”) (11/18/98), at 170-71 (SWBT Appendix C, Vol. 75, Tab 1233, 11/18/98).

environment, of integrating DataGate into its EDI based ordering/provisioning processes on its side of the interface.

92. While AT&T has endeavored to integrate DataGate with its EDI ordering system, AT&T's own integration efforts, unfortunately, have not and cannot bring AT&T's pre-order and ordering functionality to a level at parity with the integrated functionality that SWBT retail operation enjoys through the access to EASE.

93. SWBT's retail operation uses its EASE system to perform pre-ordering functions for most retail orders for service equivalent to the POTS service offered by CLECs through the UNE-Platform. In EASE, pre-ordering is fully integrated with ordering and provisioning, enabling SWBT retail representatives to obtain all necessary pre-ordering information in real time and to formulate and place their orders in a single seamless operation.⁷⁵ This is made possible, in part, by the fact that the pre-ordering information retrieved through EASE is formatted in the manner required by SWBT's back-end systems.

94. AT&T has not been able to achieve this level of integration because — although AT&T has built its own internal systems to draw pre-ordering data from DataGate and incorporate it into its “order pad” -- key elements of the pre-order information retrieved through DataGate are not formatted in a way that allows them to be automatically populated into EDI ordering fields. Some pre-ordering information — including such critical information as the service address -- is only retrievable from SWBT's pre-order databases as a continuous string of alpha-numeric characters (i.e., in “unparsed” form); however, the same information is only acceptable in SWBT's EDI ordering environment in a “parsed” format (i.e., with prefixes,

⁷⁵ Ham Aff. ¶¶ 55-56.

thoroughfares, suffixes, and numbers populated in separate fields). Because SWBT has chosen to require CLECs -- in placing orders on their Local Service Request forms ("LSRs") -- to transmit service addresses in parsed format, without making available the means to retrieve the addresses in parsed form in the pre-order process, CLECs must convert the unparsed service address data which they obtain through DataGate to a parsed format before it can be included in a properly formatted LSR. Notably PacBell's version of DataGate does provide parsed address information, raising questions as to why comparable capability has not been introduced in Texas. SWBT is clearly not meeting obligations and its failure to make parsed addresses available is the root cause associated with approximately 33 percent of AT&T orders that receive reject notifications.⁷⁶

95. In its recent Bell Atlantic decision, the Commission -- in reaffirming its requirement that BOCs "with integrated pre-ordering and ordering functions must provide competing carriers with access to the same capability" -- found that, to fulfill this obligation, "the BOC must enable competing carriers to transfer pre-ordering information electronically to the BOC's ordering interface or to the carriers' own back office systems, which may require 'parsing' pre-ordering information into identifiable fields."⁷⁷

⁷⁶ Bell Atlantic does not require CLECs to submit address information on UNE-P migration orders. Rather, it requires only the customer's telephone number. Oddly, SWBT claims that it stores address information in its back-end systems in unparsed form (Ham Aff. ¶ 182), and its back-end systems use data in an unparsed form. Nonetheless, SWBT designed its EDI Gateway in such a way that it only accepts information in a parsed form. This obviously burdens CLECs with the need to translate unparsed data drawn from SWBT's back-end databases into parsed format, for the sole purpose of surviving edits, when SWBT's back-end systems will then deal with the data in unparsed form.

⁷⁷ Bell Atlantic-New York Order ¶ 137. Elsewhere in its Bell Atlantic order, the Commission repeatedly stressed the importance of making pre-ordering information available in a parsed form. See, e.g., Bell Atlantic-New York Order ¶ 132 n.382 ("with parsed CSRs, pre-order customer information is separated into identifiable fields (e.g., street number, street name) [that] can automatically populate an

96. Not only does SWBT fail to provide parsed pre-order information, it has not provided AT&T with the necessary tools to develop an effective parsing capability on its side of the interface. Given the necessary information, it is possible in some circumstances, to automatically translate non-parsed data into parsed data through the use of "parsing" conventions. However, most of SWBT's parsing conventions (to the limited extent that AT&T has been able to extract them from SWBT) are ambiguous and have other significant limitations.⁷⁸ For example, unconventional rural addresses using directional indicators, which are common in Texas, cannot reliably be converted to parsed form because the parsing conventions made available by SWBT are unclear.⁷⁹

97. Now that SWBT has begun implementing the industry standard EDI/CORBA pre-ordering interfaces, which do purport to provide address validation responses in parsed format, AT&T has evaluated the possibilities of utilizing an industry standard pre-order interface in its UNE-P operations in place of DataGate. However, it cannot do so because SWBT's EDI/CORBA interface does not offer access to key data elements currently retrieved through DataGate that are required by SWBT to be populated on UNE Platform orders. Specifically,

order form"); ¶ 137 (integration of pre-ordering and ordering "may require 'parsing' pre-ordering information into identifiable fields"); ¶ 151 ("parsed CSR functionality is necessary for carriers to integrate CSR data into their own back office systems").

⁷⁸ Ham Aff. ¶ 54. Because of its frustrations in trying to parse the unparsed data available through DataGate, AT&T has gone so far as to request on a develop-to-developer basis the specific requirements that SWBT used to develop its EDI/CORBA parsing response logic. SWBT has refused AT&T's request.

⁷⁹ For example, confusion can arise where an address contains a directional indicator like "NW Highway", because the computer has difficulty distinguishing the directional indicator from the name of the street.

SWBT requires that CLLI, NC and NCI codes be provided on UNE-P POTS orders. These elements are retrieved through DataGate today, but are not available through SWBT's EDI/COBRA interfaces, nor are these elements scheduled to become available.

98. In any event, SWBT's claim that EDI/CORBA offers Texas CLECs the ability to integrate any range of pre-order functionality with ordering capability remains unproven. Indeed, because EDI/CORBA has only recently been implemented, SWBT cannot even demonstrate -- as required by this Commission⁸⁰ -- that EDI/CORBA is "operationally ready". SWBT admits that "no CLEC is in production using EDI/CORBA"; and it also admits that no performance metrics have even been established for EDI/CORBA.⁸¹ Moreover, Telcordia did not test the EDI/CORBA interface at all (much less its ability to be integrated with any pre-ordering interface). Accordingly, although SWBT recites that some CLECs are currently testing EDI and CORBA in Texas,⁸² there is no commercial usage of it in Texas and no proof that the capability asserted by SWBT will work in a commercial environment or at commercial volumes.⁸³

⁸⁰ See, e.g., Ameritech-Michigan Order ¶ 136-37.

⁸¹ Ham Aff. ¶ 185.

⁸² Ham Aff. ¶ 70. AT&T is in very limited production using CORBA in Missouri for cable telephony order activity. AT&T has tested -- but is not in production using -- CORBA on a similarly limited basis in Texas. See Declaration of Sarah DeYoung Regarding Interconnection.

⁸³ AT&T's cable telephony orders do not include an unbundled loop and, therefore do not require the specific circuit information that SWBT requires with UNE-P orders and that EDI/CORBA does not provide.

2. Address Validation Issues Contributing to Customer Outages.

99. As SWBT acknowledges, address validation queries launched through DataGate return multiple addresses associated with a particular telephone number – including prior addresses to which a telephone number previously was assigned. As a result, CLECs are vulnerable to selecting incorrect addresses. This error has caused AT&T customers in the past to lose dial tone at the time of UNE-P order processing.

100. Although SWBT would blame CLECs entirely, the fault lies with SWBT. There is no good reason why SWBT should return multiple addresses – including nonworking ones – in response to CLEC addresses validation queries. Even accepting this flaw, however, SWBT's pre-ordering documentation failed to disclose a resource for determining which of the multiple service addresses was the current working address until its third quarter 1999 DataGate Release, which was implemented on September 26, 1999.

101. When the multiple address issue emerged in Telcordia's OSS testing of Verigate functionality,⁸⁴ SWBT admitted the problem. After describing SWBT's return of outdated addresses, Telcordia reports:

On 9/13/99 conference call, SWBT stated that there was [a] problem with Verigate. It should not have been providing non-working addresses through the TN query. A fix has been implemented in Verigate that will check the "working status" indicator to see if the number is in working or non-working status. If it is in non-working status, the address will not be returned and an error will be sent to the UNE-L CLEC. If it is in working status and a residence, the address will be returned.⁸⁵

⁸⁴ DataGate functionality testing was not included in Telcordia's OSS testing.

⁸⁵ Telcordia Final Report, Att. A, A-35 to 36, Issue UL-RT-01.

102. While acknowledging the problem with Verigate, SWBT has delivered no relief to DataGate users. While as of September 26, 1999, SWBT identified – for the first time – a field associated with the status of working service in its pre-ordering specifications, SWBT has not discontinued its practice of returning multiple addresses in response to DataGate queries.

103. At the same time, in connection with Verigate, SWBT acknowledged that the proper solution would be for SWBT to return only the working status service address associated with a telephone number.⁸⁶

3. SWBT Fails to Provide Parity Access to Telephone Numbers.

104. SWBT has also failed to provide CLECs with non-discriminatory access to telephone numbers during pre-ordering.

105. Telcordia found that SWBT's telephone number reservation pre-order process indicated to CLECs that no telephone numbers were available at times when numbers were, in fact, available in the switch at the relevant serving office.⁸⁷ Although the Telcordia

⁸⁶ A perplexing issue that SWBT has yet to respond to is why CLECs are denied access to an "ahn-tn" field described in SWBT's pre-order technical specifications as "assigned house number: telephone number [proprietary]." If, as AT&T understands, this field provides access to the "match" between telephone number queried and associated working status service address, SWBT has no excuse for withholding the information from competing carriers. See Public Interest Hearing, TPUC Project 16251, pp. 184-185 (AT&T request for information concerning access to proprietary field) (Attachment 12).

⁸⁷ Telcordia Final Report ¶ 4.3.3.2.6 at 68. Telcordia stated, in its Final Test Report, that this condition affected all number assignments (i.e., SWBT and CLEC assignments alike) from the two wire centers involved; however, it conceded that it was unable to support this statement with any retail data. Id. SWBT has informed AT&T that -- for a number at a given switch to be designated as available to CLECs -- SWBT must affirmatively so indicate by typing an "available to CLEC" indicator in its internal coding of telephone numbers. If this is not done, the number will not be retrievable during the pre-order process. This procedure suggests that CLECs are more likely not to get available numbers than SWBT retail.

Final Report notes that SWBT had "planned" changes to address telephone number assignment problems, those changes were not completed in time to be validated in the testing.⁸⁸ Moreover, SWBT has built in a process that telegraphs discriminatory intent. In its own telephone number assignment system, SWBT has defined two indicators: "available for ILEC" and "available for non-ILEC." If the "available for non-ILEC" indicator is not added, the CLEC cannot retrieve the telephone numbers for its customers even though they are available to SWBT for assignment to its own retail customers.

4. SWBT's Pre-Order Interface Availability.

106. A recent outage involving PREMIS, the SWBT database which DataGate, Verigate and EDI/CORBA must access for address validation, raises concerns about the availability of SWBT's pending interfaces. PREMIS was unavailable for at least several hours on the evening of November 16, 1999, during peak hours that AT&T representatives perform outbound telemarketing. The outage did not end until after the outbound telemarketing calling window for that evening had closed. The impact on new entrants of this outage is significant. CLECs, like AT&T, use heavy telemarketing campaigns in evening hours to try to attract customers. AT&T had no choice but to send its telemarketing force home, causing it to lose an estimated 240 man hours and 270 sales opportunities.

107. But more significant than the lost sales for one evening was the fact that the outage demonstrated that SWBT has no effective monitoring processes in place to notify the CLECs of outages, despite a contractual obligation to do so. SWBT did not notify AT&T of the

⁸⁸ Telcordia Final Report 4.3.3.2.6 at 68. As it did with many other unresolved problems (see Dalton and Connolly Declaration) Telcordia decided to "close" this issue despite the fact that it clearly remained open at the end of testing. Telcordia Final Report, Att. A, No. PO-02 at A-118.

outage at the time it occurred; instead, AT&T detected the loss of functionality and attempted to notify SWBT's Toolbar Help Desk. The personnel manning the Help Desk did not know of the outage, did not accept a trouble report from AT&T, and only provided AT&T a pager number to call. Despite repeated calls to the pager number, no one responded.⁸⁹

108. Finally, the PREMIS outage provides one of many illustrations of unreliability of SWBT's performance data.⁹⁰ The Texas PUC has adopted a performance measure (Performance Measure ("PM") 4) for "OSS Interface Availability."⁹¹ This measure should have captured the outage as a DataGate availability failure because of the inoperability of the service address validation functionality⁹² However, SWBT's most recently reported performance data shows that DataGate has been 100% available in every month from December 1998 through November 1999.

B. Ordering and Provisioning.

109. SWBT offers four interfaces for ordering and provisioning: EDI, LEX, EASE (which is limited to use in resale) and SORD. AT&T is currently using EDI and LEX,

⁸⁹ Moreover, SWBT's IS Website Status Page does not provide bulletins on EDI or DataGate unavailability. Information regarding the availability of SWBT's retail proprietary systems, however, is available.

⁹⁰ For other instances, see the accompanying Declaration of C. Michael Pfau and Sarah DeYoung.

⁹¹ Texas 271 Agreement, Att. 17, Appendix at 173.

⁹² Id. See also Telcordia Final Report, Att. J at J-24 (defining partial unavailability of a SWBT interface for PM4 to include inaccessibility of specific functionality).

and neither of these interfaces provides CLECs with nondiscriminatory access to SWBT's ordering and provisioning OSS.⁹³

1. EDI Does Not Provide Parity Access To CLECs Seeking to Use SWBT's OSS for Ordering and Provisioning UNEs.

110. SWBT's implementation of the EDI interface -- in its present state -- does not provide CLECs with nondiscriminatory access to SWBT's ordering and provisioning capabilities, because, among other things, (1) it yields unacceptably high levels of electronic and manual rejects; (2) it relies too heavily on manual processing and fails to provide parity "flow-through" capability; (3) the design of the back-end process which SWB uses for EDI UNE-P conversion orders is discriminatory; and (4) it does not provide CLECs with nondiscriminatory order status notices, including reject notifications, Service Order Completion ("SOC") notices, billing completion notices and jeopardies. Moreover, as SWBT acknowledges in its application, SWBT's ordering and provisioning process flow for Local Service Requests sent via EDI is, for practical purposes, identical to that for LSRs sent via LEX.⁹⁴ Accordingly, all of the problems identified below with respect to SWBT's EDI ordering and provisioning system are equally applicable to LEX.

⁹³ EASE is available to CLECs for resale, but not UNEs. SWBT acknowledges the extreme difficulty of using SORD (Ham Aff. ¶ 86), and, in moments of candor before the Texas PUC, it has described SORD as an "antiquated" system "that doesn't really fit the bill". (TPUC Project No. 16251, 4/7/98, p. 137 (Attachment 13). See also Missouri PSC, Case No. TO-99-227, 3/5/99, p. 1256 (Ham Testimony: "SORD's pretty ugly"). (Attachment 14). Not surprisingly, only four CLECs have requested access to SORD, and only one of those has attended full SORD training. (Ham Aff. ¶ 88.) Perhaps the best evidence that SORD is not suitable for mass market use is the fact that SWBT does not use it for that purpose. Rather, it uses EASE.

⁹⁴ Ham Aff. ¶¶ 138, 173.

a. Background: SWBT's EDI/LEX Ordering Process Flow

111. To understand the ordering issues that follow, it is necessary to understand how the system which SWBT has developed for processing EDI and LEX orders is supposed to work. CLECs using EDI or LEX send LSRs, which go first to SWBT's LASR system, which performs certain edits. Assuming the LSR passes those edits, it then proceeds to SWBT's Mechanical Order Generator ("MOG"), which mechanically generates internal SWBT "service orders", provided the LSR calls for an order which is of a type that is "MOG-eligible", and provided the order does not error out in MOG. CLEC LSRs that are not MOG-eligible -- either because of the order type or because they include a feature or some other characteristic that causes them to be an exception to an otherwise MOG-eligible order type-- proceed to the SWBT Local Service Center ("LSC") where SWBT's internal service orders are generated manually. All internal SWBT service orders -- i.e., both those generated mechanically in MOG and those created manually at SWBT's LSC -- are then theoretically processed in SORD and distributed out for downstream processing.

112. At the time such orders distribute out of SORD, SORD generates a Firm Order Completion ("FOC") notice, which notifies the CLEC of a due date for provisioning. When provisioning is complete, a completion message is sent to SORD. SORD then returns a service order completion ("SOC") notice to the CLEC, and, is supposed to, at the same time, forward the completed order to SWBT's CRIS and CABS billing systems, where orders must "post". Orders that fail to post are placed in "error" status and must be resubmitted until each error is cleared; however, as described below, such posting failures can only be resubmitted at 24-hour intervals, and only a single error ordinarily can be corrected at a time. Once orders

“post” in CRIS, SWBT’s retail organization has notice to stop billing SWBT’s former customer, and once they post in CABS, SWBT has notice that it must provide the CLEC with a wholesale bill. Until orders post in SWBT’s billing systems, SWBT continues to believe the customer belongs to it, and CLECs are, therefore, unable, among other things, to electronically access SWBT’s maintenance and repair facilities through Trouble Administration (“TA”).

b. High Reject Rates and Manual Reject Notifications Deny CLECs Equivalent Access to SWBT’s OSS.

113. Orders that survive MOG edits, but then fail fall out for manual processing, are more likely to be delayed and manual handling is more likely to inject error into the process. That is precisely what happens as a result of SWBT’s system design. When LSRs contain errors, they will be rejected by SWBT’s ordering system and returned to the CLEC for correction or other appropriate action. LSRs that fail up front edits in LASR will be rejected electronically back to the CLEC.⁹⁵ LSRs that fail Mechanical Order Generator (MOG) edits will be rejected electronically if the error is “fatal” (hard), but manually if the error is “non-fatal” (soft).⁹⁶ Errors detected in SORD edits cause the order to also fall out for manual processing.⁹⁷ Thus, as LSRs/service orders progress downstream in SWBT’s systems, the likelihood of fall out to manual processing increases. Accordingly, to reduce manual processing it is generally in the CLEC’s interest for SWBT to move as many edits as possible up to LASR, the up front edit engine. That way, CLECs can receive their rejected LSRs back immediately (i.e.

⁹⁵ Ham Aff., “LASR/MOG Process” Chart following ¶ 143.

⁹⁶ Id.

⁹⁷ Id.

electronically), ascertain the reason for rejection, and correct and resubmit the LSR. However, as shown below, SWBT has a relatively small number of “up front” edits in LASR (compared to those available to SWBT retail representatives using EASE), and this has resulted in a high level of manual rejects of CLEC orders.

114. CLECs using SWBT’s ordering and provisioning process for EDI and LEX, have experienced both (1) extremely high manual reject rates, and (2) extremely high overall reject rates. Specifically, SWBT’s systems consistently reject almost one in every two of the orders EDI and LEX, and roughly 25% of those rejects are returned manually. As a result, CLECs are experiencing substantial delays in the return of rejects, which, of course, results in corresponding delays in the reissuance and provisioning of rejected orders. As for the high overall reject rates generated by SWBT’s systems, they strongly suggest that SWBT is, at least in part, at fault -- either because it has failed to provide adequate documentation (see Section III, E, above) or because its systems are erroneously rejecting proper orders (see Section IV, B.1.b, below).

(i) SWBT’s High Manual Reject Rates.

115. This Commission, in its second BellSouth-Louisiana decision, found the “practice of returning order error notices to competing carriers manually, rather than electronically via the EDI interface”, to be unacceptable, noting that the practice does not provide “equivalent access because manual processes generally are less timely and more prone to errors” and “tend to lead to additional errors, and to lower . . . flow-through rates”.⁹⁸

⁹⁸ BellSouth-Louisiana II Order ¶ 114.

116. CLECs seeking to use SWBT's OSS experience high manual reject rates. In the Telcordia testing, the total reject rate on electronically submitted orders was 48%, and the level of manual rejects was reported to be 24%.⁹⁹ More recently, the data provided in SWBT's performance measures ("PMs") 9 and 10.1 show a total reject rate of 45.7% and a manual reject rate of 12% for November 1999.¹⁰⁰

117. These high manual reject rates are disturbing, because of the delay associated with their return. Under PM 10.1 (% manual rejects received electronically and returned in 5 hours), the Texas PUC, in a collaborative proceeding, concluded that 97% of SWBT's manual rejects of electronic orders should be returned within five hours.¹⁰¹ In fact, SWBT's performance on this measure is 69.6% within five hours in September 1999; 59.5% in October 1999; 65.1% in November 1999; and 69.5% in December.¹⁰² Even more troubling is the fact that SWBT's performance has generally deteriorated with increasing volumes.¹⁰³ While SWBT was able to return 81.4% of its 3,658 manual rejects of electronic orders within the five hour interval in July within the five hour period, it was only able to return 69.5% of 6,698 such

⁹⁹ TPUC Project No. 16251, SWBT Force Model Summaries and Scenarios, filed 10/28/99, p. 7 (SWBT Appendix D, Vol. 9, Tab 95, 10/28/99).

¹⁰⁰ The total reject rate in October was 44.6%, and the manual reject rate was 11.8%.

¹⁰¹ Texas 271 Agreement, Att. 17, Appendix, Business Rules for PM 10.1.

¹⁰² This compares to return rates on electronic rejects (within one hour) of 100% and 99.8% respectively for EDI and LEX rejects in November (PM 10); and a mean time to return electronic rejects in November of roughly 20 minutes for both EDI and LEX (PM 11).

¹⁰³ SWBT Performance Measure Tracking Data, All CLECs, December 1999, PM 10.1 (Attachment 15).

orders in December.¹⁰⁴ Thus, the Commission's frequently expressed concern that manual processes are not readily scalable is borne out by these results.

118. Similarly, SWBT's performance on PM 11.1 (mean time to return manual rejects received electronically via LEX/EDI) shows poor performance which grows significantly worse as volumes rise. In fact, in October 1999, SWBT returned such rejects in twice that average time (10.10 hours); in November 1999, it took three times that average (14.94 hours) and, in December, it took seven times that average time (35.65 hours).¹⁰⁵ Worse still, as the number of manual rejects increased (from 3,658 in July 1999 to 6,698 in December 1999), the mean time to return those rejects increased from 6.86 hours to 35.65 hours.

119. This data from Texas PMs 10.1 and 11.1 suggests that, as volumes of manual rejects increase in Texas, SWBT's delays in returning those manual rejects will increase. Indeed, the rate of increase in delay is significantly greater than the rate of increase in volume. SWBT statements that, as of the end of October 1999, average return times reported in PM 11.1 were to be stated in "business hours" -- rather than against a running 24 hour clock -- heightens concerns about extended delays in provisioning time. Assuming an 8-hour business day, a 35 hour delay may actually represent a 4 day delay during the week, or a six day delay if a weekend is included.

120. In addition to being "less timely", manual rejects also are "more prone to errors", "tend to lead to additional errors" and tend to lower "flow-through rates."¹⁰⁶ These

¹⁰⁴ Id.

¹⁰⁵ SWBT Performance Measure Tracking Data, December 1999, PM 11.1 (Attachment 15).

¹⁰⁶ BellSouth-Louisiana II Order, ¶ 114.

problems are particularly acute in the case of SWBT's manual rejects, because -- as we will show -- SWBT's systems cannot electronically process supplemental orders to correct errors in situations where the order being supplemented errors out at a point in SWBT's process flow which is at or beyond SORD (i.e., the point at which manual rejects are most likely to occur). Accordingly, in addition to the increased likelihood of error which arises from the manual creation of rejects by SWBT, there is also a greatly increased chance of error stemming from the necessity -- in SWBT's system -- of processing many supplemental orders manually to correct errors. This, of course, also impairs electronic flow, causes delay and limits the scalability of SWBT's systems.¹⁰⁷

121. The reasons for SWBT's high rate of manual rejects are systemic. Only errors detected by LASR or MOG (as opposed to SORD or elsewhere on SWBT's back-end systems) result in electronic rejects.¹⁰⁸ However, LASR includes only a limited subset of the edits that subsequently appear downstream in SORD. There are roughly 4,000 SORD edits, but only 800 (20%) of those edits have been moved forward to LASR.¹⁰⁹ Accordingly, many errors will not be caught in LASR's up front edits, but rather will proceed downstream to SORD, where they will error out due to SORD's more extensive edits and become subject to manual rejection.

¹⁰⁷ As the DOJ has found, "[M]annual processing of orders and high reject rates increase CLEC processing costs because CLECs must devote additional resources to monitor the ordering and provisioning process and correct mistakes. Those costs can be expected to increase as order volumes increase, and such costs may impair the competitive vitality of CLECs". DOJ's BA-NY Evaluation at 30.

¹⁰⁸ Even MOG errors do not result in electronic rejects if the LSR fails a "non-fatal" edit, rather than a "fatal" edit. Ham Aff. ¶¶ 140, 142.

¹⁰⁹ Ham Aff. ¶ 130; see Telephone Conf. Hearing, TPUC Project 19000, 1/14/99, p. 72 (referencing 4000 SORD edits) (Attachment 17).

122. This clearly does not constitute parity with SWBT retail. EASE, the ordering system used by SWBT retail has 3000 edits, which “ensure order accuracy at the front end of processing and a high percentage of error-free flow-through”.¹¹⁰ In an effort to explain away this discrepancy, SWBT argues that “SWBT cannot (within the parameters of its Change Management Process) immediately move every applicable SORD edit into LASR or MOG as a fatal edit”.¹¹¹ It further suggests that the disparity in editing capability is somehow reduced by SWBT offering “LASR GUI” as an “interim step” toward “moving LSR resolvable error detection capability to LASR”.¹¹²

123. Each of these arguments lacks merit. LASR GUI is a device that SWBT introduced last May which is intended to mimic -- without actually providing -- the automatic, system-generated reject notifications that industry standards envision for EDI,¹¹³ and that SWBT retail enjoys via EASE. As described by Ms. Ham, the use of LASR GUI “involves the manual input (by an LSC representative) of a manual notification into LASR GUI to produce an electronic notification returned to CLECs via LEX or EDI”.¹¹⁴ Other than providing the illusion of mechanization, the LASR GUI “improvement” does nothing to reduce the very same

¹¹⁰ Ham Aff. ¶ 76. These so-called “screen edits” prevent the EASE user from advancing to the next EASE screen if a screen contains an error. This prevents EASE orders containing errors from being sent at all.

¹¹¹ *Id.* ¶ 148.

¹¹² Ham Aff. ¶ 148.

¹¹³ TCIF, EDI, Issue 8, Section 7.2.1.4.15.

¹¹⁴ Ham Aff. ¶ 148.

problems -- i.e., the potential for error and delay -- that are always associated with manual processes.¹¹⁵

124. Moreover, SWBT's suggestion that the requirements of the CMP are preventing SWBT from moving up additional edits, is without merit. In the last 14 months, SWBT announced plans to introduce 47 new error electronic error codes, and then deleted 15, leaving a total of only 32 new electronic codes. In contrast, more than 91 manual error codes were introduced for SWBT's LASR GUI, with only 3 deletions. The introduction of both new electronic and new manual error codes routinely occurred with less advance publication notice than applicable CMP time tables required. Thus, SWBT obviously has not allowed CMP requirements to control the timing of error code additions. More critically, it is obvious that far greater attention has been devoted to introducing manual LASR GUI error codes than electronic reject codes. While focusing on the LASR GUI return of manually generated notices may improve the "appearance" of mechanization, as discussed above, it remains a manual process -- with built in potential for delay and error.

125. Moreover, for AT&T small business customers served through the ordering of unbundled loops, the impact of SWBT's delayed detection of error conditions is dramatic. For example, on a loop hot cut scheduled in December 1999, SWBT advised AT&T of a service address issue through the return of a manual "fatal error" notice on a Frame Due Time loop hot cut order ("FDT"), which is supposed to flow through, 17 minutes after the

¹¹⁵ The Ham Affidavit, by reciting SWBT's performance on Texas PMs 10 and 11 in the paragraph following its discussion of LASR GUI, implies that SWBT's performance on these measures reflects its performance through the use of LASR GUI. In fact, rejects returned by LASR GUI are manual, and are reported in PMs 10.1 and 11.1, which, as shown above, reflect long delays associated with manual rejects and chronic failures by SWBT to meet the Texas PUC's benchmarks.

scheduled cutover.¹¹⁶ Because AT&T had ported the customer at the confirmed cutover time, the customer lost service. Thus, OSS mechanization without corresponding up front edit capability to detect and return errors electronically creates hazardous conditions directly impacting AT&T's ability to meet confirmed installations and to avoid customer outages.

126. In sum, because of the very material differences between the editing capabilities of the EDI/LEX ordering system available to CLECs and the editing capabilities of EASE, used by SWBT retail, CLECs lack parity access to electronic reject notices.¹¹⁷ As is discussed below in connection with increased manual handling of resubmitted LSRs, the method by which SWBT retail receives notifications of errors detected in its back-end systems – i.e., through electronic messages sent automatically from SORD to EASE – is far superior to the LASR GUI interim option implemented for CLECs.

(ii) SWBT's High Overall Reject Rates.

127. In addition to the problems associated with high volumes of manual rejects, SWBT also has an extremely high overall reject rate on electronic LSRs submitted via EDI and LEX. The Telcordia test showed an overall reject rate of 48%, and the overall reject rate reflected in SWBT's performance measure data was 45% in both October and November.¹¹⁸ In effect, almost one of every two electronic LSRs sent into SWBT's systems rejects.

¹¹⁶ Issue No. 32, AT&T/SWBT Joint Open Issues Log, Issue Date 1/26/00 (Attachment 18).

¹¹⁷ BellSouth Louisiana II Order ¶¶ 114, 118-19 (even though BellSouth provided CLECs with electronic notifications with respect to a "standard set of over 300 error messages", the Commission found that this was only a subset of electronic error messages which did not provide equivalent access).

¹¹⁸ The overall reject rate is calculated as the sum of LEX electronic rejects (PM 9), EDI electronic rejects (PM 9) and manual rejects (PM 10.1), taken as a percentage of the number of LEX and EDI LSRs (PM 9).

128. Although there are undoubtedly many reasons for SWBT's very high reject rates, AT&T has observed that many of its rejects stem from SWBT's unnecessary requirement that CLECs ordering UNE-P conversions provide service address information on their LSRs. There is no reason why UNE-P conversion orders cannot be placed based on telephone number information alone. Because of SWBT's arbitrary "service address" requirements for these simple orders, and because of SWBT's failure to provide parsed service address information to users of DataGate (the only pre-ordering system offered by SWBT which is useable for UNE-P orders¹¹⁹) no CLEC, however careful, can avoid unreasonably high reject rates.

129. The Commission, in its recent Bell Atlantic-New York Order, concluded that -- despite Bell Atlantic's high (27% to 34%) average reject rates -- it had met the requisite standard, in part, because the data showed a high degree of variability in reject rates among CLECs, suggesting that it was possible for CLECs to achieve low levels of rejects and that much of the fault for Bell Atlantic's high reject rates must, therefore, lie with CLECs.¹²⁰ Specifically, the Commission found that the bulk of the errors causing orders to be rejected "can be properly attributed to competing carriers that, for example, choose not to integrate their interfaces, do not adequately train and manage their employees, or do not invest in the necessary systems."¹²¹

¹¹⁹ DataGate is the only pre-ordering interface useable for UNE-P orders, of course, because of another, equally arbitrary, ordering requirement imposed by SWBT -- i.e., the requirement that CLECs identify the UNEs they are ordering "with specificity". This unnecessary requirement prevents AT&T from using EDI/CORBA (with its parsing capabilities) for UNE-P orders, because EDI/CORBA lacks the functionality to enable AT&T to order UNEs with "specificity". However, SWBT does not use the "specific" information provided when provisioning simple UNE-P conversion orders. (See below.)

¹²⁰ Bell Atlantic-New York Order ¶ 175.

¹²¹ Id. at 167.

Accordingly, the Commission disregarded the DOJ's concern that extremely high reject rates might be, at least in part, the result of poor Bell Atlantic documentation.¹²²

130. Picking up on this argument, SWBT makes two contentions: first, that reject rates for individual CLECs using EDI in September and October range from 0% to 93% -- supposedly demonstrating that high reject rates are due to CLEC sloppiness, and that CLECs who put in the effort to "translat[e] the service order requirements in SWBT's LSOR to the data entry requirement of the LSR" can virtually eliminate error;¹²³ and second, CLECs' EDI rejection rates between May and October vastly improved -- showing that, as CLECs gain experience in placing EDI orders, they achieve better results, and, therefore, that SWBT's LSR process is not to blame for poor error rates.¹²⁴

131. SWBT's contentions are flawed on several counts. First, unlike Bell Atlantic, SWBT does not provide a breakdown of its "0% to 93.9%" error rate range, so it is impossible to determine whether, or to what extent, that variability is attributable to the fact that different CLECs -- with their different specialties and approaches to the market -- have different mixes of orders.¹²⁵

¹²² Id. The DOJ found in its November 1, 1999 Evaluation of Bell Atlantic's Section 271 Application from New York, p. 30 ("DOJ's BA-NY Evaluation"), that "[s]ome 'CLEC' errors may occur because Bell Atlantic has not provided adequate documentation of the requirements for valid orders".

¹²³ Ham. Aff. ¶ 127.

¹²⁴ Id.

¹²⁵ Obviously, SWBT may have published clear guidelines for some order types, and ambiguous, unclear (or even no) guidelines for others. Similarly, its systems may handle some order types better than others, and its interface documentation (or the lack of it) may cause problems for some types of orders, but not others.

132. As to SWBT's suggestion that only CLECs who fail to "integrate their interfaces" or to "invest in the necessary systems" suffer from high reject rates,¹²⁶ AT&T can demonstrate that this is not true from its own experience. AT&T has spent several years and XX XXXX in a dedicated effort to build its side of the UNE-P EDI Gateway and to master SWBT's EDI ordering requirements. We feel confident that no other CLEC has devoted as much time and as many resources to local entry as AT&T in Texas.¹²⁷ However, despite AT&T's commitment of resources, AT&T still experiences extraordinarily high reject rates on its orders (e.g., roughly 45% in November) -- most of which are simple UNE-Platform POTS orders. This rate is consistent with that of "All CLECs" in Texas in November, and, although AT&T has done somewhat better than "All CLECs" in October and December, the reject rates for AT&T and "All CLECs" remain unacceptably high for all those months.¹²⁸ Therefore, SWBT's high reject rates in Texas cannot be explained by CLEC lack of effort. If effort and commitment to integration development were all that is required, AT&T's reject rates would not be ranging from 32% to 45%.

¹²⁶ Ham Aff. ¶ 127.

¹²⁷ See generally Declaration of Phillip Tonge and Edwin Rutan II. Chairman Wood of the Texas PUC has repeatedly commented on the sincerity of AT&T's efforts to enter the local Texas market. See, e.g., TPUC Project No. 16251, 9/9/99 Open Mtg. Tr. at 77 (TPUC Chairman Wood, commenting on his visit to AT&T's local service "factory" described it as a "very impressive operation" and added: "it's very clear to me that AT&T is committed to full bore UNE entry." "I think they're as serious as a heart attack").

¹²⁸ In the last three months, AT&T's reject rates have been 32% in October, 45% in November, and 33% in December. The "All CLECs" data reported by SWBT for the same months shows 44.6% in October, 45% in November, and 42% in December.

133. SWBT's other argument -- that CLECs are now achieving better reject rates due to their greater experience in placing orders¹²⁹ -- is simply untrue. SWBT provides the following chart in the Ham Affidavit concerning reject rates over its EDI interface (§ 127):

CLEC	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>
REJECT RATE-	%	%	%	%	%	%
ALL CLECs	51.8	51.2	38.2	19.8	16.9	24

This chart is highly misleading. First, the data from May and June is based on only 164 and 482 orders respectively. Second, SWBT fails to mention November data, which shows a 30.7% reject rate.¹³⁰ Third, if one looks at SWBT's overall reject rate (i.e., total electronic and manual rejects on all EDI and LEX orders), the story is the exact opposite of that told by SWBT:

<u>May</u> ¹³¹	<u>June</u> ⁵⁰	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>
24%	21.6%	38.9%	34.4%	27%	44.6%	45.7%	42%

134. This last table tells the real story. Far from showing that CLECs ordering performance improves as they study SWBT's documentation and gain experience, it shows that SWBT's systems are rejecting orders at increasing rates. This suggests (as shown above) that SWBT's documentation, ordering requirements and systems are defective.

135. Further, whatever the case may have been in New York, AT&T knows, from its own commercial experience, that at least some of the rejects reflected in SWBT's data are SWBT's fault. For example, in July, SWBT erroneously rejected 2,100 of 3,700 UNE-Platform LSRs submitted by AT&T, supposedly because they showed an "invalid due date", but,

¹²⁹ Ham Aff. ¶ 127.

¹³⁰ December data, which was not available when SWBT filed, shows a 25% reject rate for EDI.

¹³¹ SWBT did not report manual rejects in May and June.

in fact, because the queuing mechanism in SWBT's EDI interface was configured incorrectly. These SWBT-caused rejects constitute 48% of the 4,409 EDI rejects in the month of July. Similarly, because of incorrect programming in LASR, SWBT, throughout September and most of October, erroneously rejected all AT&T UNE-Loop requests where the due date was not at least four days out. The message code returned was, once again, "invalid due date," even though AT&T's contract calls for three-day standard intervals.¹³²

136. Finally, Telcordia, in the Texas OSS Testing, found that 10 of a set of 63 supplemental UNE-P LSRs to "correct" original submissions actually were caused by problems at SWBT's end, and that the majority of these SWBT errors were attributable to human error. The occurrence of SWBT-caused rejects is not a condition that CLECs can control, and the incidents of SWBT-caused rejects, as captured in commercial and testing environments, cannot be ignored.¹³³

(iii) Competitive Impact of High Reject Rates

137. Rejects, by definition, add time to the provisioning process. Every rejected order requires resubmission. When the time lag to return an order results in original due dates being missed (as will certainly be the case with SWBT's manual rejects), the customer's service will not be provisioned on time. This will have a significant impact even on AT&T's UNE-P customers. AT&T is marketing local offers that differ from SWBT's offerings. Thus, in almost all cases, the customer's features change when the customer migrates to UNE-P. When

¹³² For further discussion, see Declaration of Sarah DeYoung on UNE Loops.

¹³³ Telcordia Final Report § 2.5 p. 12.

the customer's service is not switched on the scheduled date, the fact that the customer's features have not changed as expected causes customer confusion and frustration.¹³⁴

c. SWBT's Systems Place Excessive Reliance on Manual Processing

138. As we have shown above, SWBT's OSS yields extremely high levels of manual rejects, and the delays associated with those rejects are both excessive and growing at an alarming rate as volumes of rejects increase. However, manual rejects are only part of a broader problem with SWBT's OSS -- namely, that manual processing appears to be pervasive throughout the system.

139. As we will show, (1) data from the Telcordia testing suggests that the rate of manual processing in SWBT's OSS is extremely high; (2) SWBT's system design is such that certain important order types (particularly certain supplemental orders) are non-MOG eligible, which has the effect of compounding the already serious problems associated with manual rejects; and (3) SWBT's flow-through rates -- although ostensibly quite high for some order types -- do not, for a variety of definitional and other reasons, reflect true flow-through and are contradicted by available evidence of manual processing. Finally, as we will show in Section c.iii, below, additional problems associated with manual processing arise due to the design of SWBT's back-end order process flow.

¹³⁴ Of course, AT&T is viewed negatively by its customers when they do not receive their services as promised. AT&T also is denied the revenue during the time of the delay and incurs additional costs to care for customer inquiries.

(i) The Telcordia Testing

140. In its review of a sample of 998 service order records created in the Texas OSS Testing as of July 7, 1999, Telcordia found that 376 of those records (37.68%) contained an error that occurred as a result of a SWBT service representative data entry mistake on manually generated internal service orders.¹³⁵

141. This demonstrates that at least 37.68% of a sample of the service orders processed in the test were manually generated by SWBT representatives for initial processing. Indeed, the 37.68% figure represents only that percentage of manually handled orders that included one particular type of error. The actual percentage of test orders that fell out for manual processing is likely to be significantly larger.

(ii) Non-MOG Eligible Orders

142. As noted above, a CLEC LSR that is MOG-eligible should result in SWBT's electronic generation of internal service orders in MOG that proceed to SORD for distribution out to other SWBT back-end systems. Non-MOG eligible EDI LSRs can be transmitted electronically to SWBT, but, once on the SWBT side of the EDI Gateway, a SWBT LSC service representative prints out the LSR and -- in the case of a UNE-P conversion -- manually retypes the information from the LSR on each of three, internal SWBT service orders, all of which are needed for the LSR to be processed in SORD and in SWBT's back-end systems.¹³⁶ Like most manual processing, this retyping obviously results in delay and increased

¹³⁵ Telcordia Final Report § 4.5.4.3.1 at 91. The error involved SWBT representatives failing to enter data reflecting the due date requested by the customer on the service order.

¹³⁶ Ham Aff. ¶ 139. These three internal SWBT service orders will be more fully discussed in Section III, B.1.c below.

risk of error. The risk of error is particularly acute in the case of UNE-P orders, because SWBT must populate the information on not one, but three internal service orders. Moreover, the risk of error on any non-MOG eligible order does not end with the manual generation of multiple service orders. All order status messages associated with such an order, including reject notifications and FOC and SOC notices, are also manually created, thus increasing the likelihood of delay and error for each of these transactions as well.

143. SWBT's current implementation of EDI excludes from electronic processing several key order types.¹³⁷ Two of these order types are of particular importance -- (i) supplemental orders to correct errors and (ii) supplemental orders to change due dates.

Supplemental LSRs to Correct Errors

144. Supplemental LSRs to correct errors are only MOG-eligible when submitted in response to a reject resulting from a LASR error or MOG "fatal" error (*i.e.*, errors that caused the original LSR to error out before SWBT's internal service orders are generated). As a result, non-fatal errors detected in MOG, and all errors detected at SORD and beyond in the EDI environment must be corrected by supplemental LSRs which are not MOG-eligible, and which, therefore, must be processed manually, with the associated delay and susceptibility to error.

¹³⁷ In addition to the supplemental order types discussed in the text, SWBT's implementation of EDI is also incapable of electronically processing the following types of orders: partial migrations, change orders to effectuate PIC changes, and orders involving related purchase orders (so-called "RPONs"). All of these order types are competitively significant. Indeed, the Commission has specifically required RBOCs to demonstrate that they offer "ordering functionality for UNEs, including . . . split accounts, *i.e.*, partial migrations . . . that provides an efficient competitor with a meaningful opportunity to compete based on reasonably foreseeable demand". BellSouth-Louisiana II Order ¶¶ 143-44. See also Ameritech-Michigan Order ¶ 178 ("in light of the fact that orders for split accounts have consistently constituted close to 10% of the total resale orders, we question Ameritech's continued reliance on manual processing for these types of orders").

145. By contrast, in SWBT's retail environment, comparable errors (*i.e.*, errors that would trigger the need for a non-MOG eligible supplemental LSR in SWBT's wholesale environment) are caught by "on screen" edits in the EASE ordering system that SWBT uses at retail. Thus, EASE provides edits that will not permit a SWBT retail representative to advance from screen-to-screen if there is an error or omission in the order entry process.¹³⁸ Obviously, the inability of SWBT's retail representatives to advance to successive EASE screens until an error or omission is corrected substantially decreases the likelihood that the order will be transmitted through to SWBT's back-end systems before the error is found. Moreover, in the rare situations where error conditions are not identified by the screen edits in EASE, and the transmitted order, therefore, errors out in SORD, SWBT provides for the electronic return of the SORD error message to SWBT's retail service representative.¹³⁹ By contrast, when errors are detected at SORD and beyond in the EDI environment, CLECs receive manual reject notices.

146. Because EASE's screen edits insure that very few of SWBT's retail service orders are ever rejected in SWBT's back-end systems, it is clear that SWBT rarely needs

¹³⁸ Missouri 271 Hearing, Docket TO-99-227, p. 1,229-31 (Ham) (Attachment 19). OSS Demonstration, TPUC Docket 16251, Tr. at 27 (4/7/98) ("[W]e attempt to catch everything up front before it hits our back-end system. . ."). (Attachment 20) Describing the on screen edit capability of EASE, SWBT has stated that when a service representative hits "Enter", the order is edited, and, if an error is found, "we would make them fix it before they released the order to our downstream system." OSS Demonstration, TPUC 16251, p. 23 (4/3/98) (Attachment 21).

¹³⁹ *Id.* See also Ham Aff. ¶ 81 (SORD EDITs provides "immediate notification to EASE" when a service order errors in SORD); Missouri 271 Hearing, Docket TO-99-227, p. 1323, 1337 (Ham) (Attachment 22). In an OSS demonstration in Oklahoma, SWBT stated:

"From an EASE perspective it will come back if the order fails to distribute in the SORD network, so that it hits the front end SORD edit and SORD will send a message back to EASE and tell them that the order did not distribute and it will give them the order number."

OSS Demonstration, OCC PUD 970000560, p. 15 (6/10/98) (Attachment 23).

to send supplements to correct errors in its retail environment. Accordingly, SWBT is less susceptible to the problems associated with the manual processing of such supplemental submissions, and it, therefore, enjoys a form of access to its own ordering OSS which is substantially superior to the access it provides to CLECs.¹⁴⁰

147. Finally, we should add that the lack of flow-through for supplemental LSRs to correct "errors" is particularly discriminatory, because -- as shown above -- the rejects that trigger the need for supplemental LSRs are often caused by SWBT's errors rather than erroneous CLEC LSRs.¹⁴¹

148. The impact of this discriminatory condition is obvious. The return of manual rejects in SWBT's systems is significantly delayed. Because supplemental orders to correct manual rejects must be submitted and processed manually, orders that are already delayed due to manual rejection will be further delayed due to the manual processing of the supplemental orders to correct them. Also, once again, AT&T's UNE-P customers will experience confusion and frustration stemming from that fact that their new service -- with its unique package of features -- will not be turned up on its proper due date.

¹⁴⁰ Telcordia recognized that, in the SWBT retail environment, an error detected in back-end processing might require minimal correction isolated to a single internally generated service order, whereas an error on one of several internal service orders associated with a CLEC LSR will result in a rejection back to the CLEC, requiring the CLEC to restart the process with a new LSR submission. TELCORDIA FINAL REPORT 4.1.3.1, p. 22. ("Supplementals for LSRs where service orders have already been generated require manual correction for the service orders. In addition, the manual handling of supplementals requires visual inspection of the LSR and manual return of a confirming FOC. In comparable SWBT retail service order correction, only the relevant service order requires correction, which is somewhat different.")

¹⁴¹ Thus, in the Texas OSS Testing, Telcordia reported that the percent of LSR resubmissions necessitated because of errors by SWBT jumped from 5 percent in the original test period to 16 percent in the retest, as the test case generation capability of the CLEC participant improved. Telcordia Final Report § 2.5 at 12.

Supplemental LSRs to Change Due Dates

149. A supplemental LSR submitted to revise an installation due date must also be processed manually. The problems associated with the manual processing of modified due date requests are quite serious, particularly as commercial volumes ramp up. Like all manually processed orders, a manually processed due date change faces a greater risk of delay and/or error. But, unlike other order types, if a supplement to change a due date is not “recognized” by SWBT’s systems before the original due date arrives, premature provisioning can occur without notice to the CLEC or its customer. Particularly on order types that require synchronization of SWBT and CLEC activity (e.g., UNE-Loop orders), premature provisioning on an installation can take a customer out of service. For example, if SWBT performs a port, or takes down translations in its switch prematurely, when provisioning an unbundled loop with number portability order, the customer will lose service. (See the accompanying Declaration of Sarah DeYoung.)¹⁴²

(iii) SWBT Has Failed To Demonstrate Parity EDI Flow-Through.

150. In the past, the Commission has given substantial weight to the question of whether and to what extent, CLEC orders “flow-through” BOC ordering and provisioning systems without the need for manual intervention. In its second BellSouth-Louisiana decision, the Commission found that BellSouth failed to meet its burden of demonstrating that it was providing CLECs with parity order flow-through. Specifically, the Commission found “a direct

¹⁴² Implementation of mechanized service order generation to change due dates is a high priority for AT&T because there are a significant number of such orders, yet a committed date for this upgrade has not been identified. Accessible Letter CLEC 99-190, Final Minutes for 12/7/99 CMP Meeting, Enhancement Candidates Matrix.

correlation between the evidence of order flow-through and the BOC's ability to provide competing carriers with nondiscriminatory access to the BOC's OSS functions", including particularly whether "a BOC is able to process competing carriers' orders, at reasonably foreseeable commercial volumes, in a nondiscriminatory manner".¹⁴³

151. More recently, in its Bell Atlantic-New York decision, the Commission concluded that it was unnecessary to focus on flow-through rates to the same degree that it has in the past because -- despite Bell Atlantic's poor flow-through statistics -- the Commission found that widely varying levels of flow-through achieved by different CLECs suggested that CLECs, rather than Bell Atlantic, were largely responsible for flow-through failures, and that the particular OSS deficiencies that it had previously associated with low flow-through rates did not pertain to Bell Atlantic.¹⁴⁴ Specifically, the Commission found that -- unlike prior § 271 applicants -- Bell Atlantic's OSS did not suffer from several problems associated with low flow-through rates, including, among other things, failure to provide complete, up-to-date, business rules and ordering codes, and the lack of integration between pre-ordering and ordering functions.¹⁴⁵ The Commission also found that Bell Atlantic "scales its systems as volumes increase" and that it had demonstrated "its ability to continue to scale its systems."¹⁴⁶

¹⁴³ BellSouth-Louisiana II Order ¶¶ 107-08. The Commission also expressed concern that the problems BellSouth was experiencing with flow-through would worsen as order volumes, and the number of complex orders for services other than POTS, increased, and noted that -- in light of this concern -- "excessive reliance on manual processing, especially for routine transactions, impedes the BOC's ability to provide equivalent access."

¹⁴⁴ Bell Atlantic-New York Order ¶¶ 161-63, 166.

¹⁴⁵ Id.

¹⁴⁶ Id.

152. These circumstances do not exist here. First, as we have already shown, SWBT -- unlike Bell Atlantic -- does not provide parsed service address information through its DataGate interface (SWBT's only fully functional OSS interface)¹⁴⁷ it has, therefore, failed to provide CLECs with an integrated pre-ordering and ordering functionality which is at parity with its fully integrated retail EASE pre-ordering/ordering system. Second, as we have also shown, SWBT has consistently failed to provide CLECs with complete or up-to-date business rules and ordering codes, as is evidenced, among other things, by SWBT's inadequate documentation of its EDI interface, its pattern of failing to adhere to established Change Management Policies, and the fact that CLECs experience average reject rates of 45% on LSRs sent through EDI and LEX.¹⁴⁸ And finally, as discussed below, the scalability of SWBT's systems was shown to be problematical in the Texas OSS Testing, and it remains in doubt today.

153. As we have already shown, Telcordia, during the Texas OSS testing, found that at least 37.68% of a sample of service orders processed in the test fell out for manual processing. Notwithstanding the high level of manual processing revealed in the Texas OSS testing, SWBT reports, under its Performance Measure 13 ("Order Process Percent Flow-Through"), flow-through rates ranging, in recent months, from 96.3% to 99.1% for EDI orders.

154. Part of the explanation for this seeming anomaly lies in the definition of PM 13. From the practical perspective of a CLEC, the true flow-through rate is the extent to which electronic orders are subjected to manual handling. This tells the CLEC its real exposure

¹⁴⁷ See Section III A, 1. above, see also Ham Aff. ¶ 54 (identifying capabilities missing from SWBT's EDI/CORBA pre-ordering interfaces).

¹⁴⁸ See Section II, E. above.

to the delay and error associated with manual processing, and, of course, those are the reasons why flow-through rates are important. Unfortunately, neither PM 13 nor any other performance measure adopted in Texas measures this sort of true, functional flow-through capability. Instead, because of definitional exclusions, SWBT's "interpretation" of relevant business rules, and SWBT's improper implementation of the measure, data reported under PM 13 fails to provide an accurate picture of the true electronic flow-through rate achieved by SWBT's systems. The definitional problems include:

- (a) The business rules associated with PM 13 allow SWBT to exclude electronically-submitted orders that are not designed by SWBT to flow-through to SORD distribution, thereby disregarding non-MOG eligible orders;¹⁴⁹ and
- (b) All LSRs that reject are excluded, regardless of whether the reject results from a SWBT-caused error, and regardless of whether the reject notification is manually generated.¹⁵⁰

¹⁴⁹ As we show below, SWBT has simply failed to provide for the electronic processing of several key order types. AT&T does not, of course, object to a disaggregated presentation which separately shows flow-through percentages for order types that are designed to flow through; however, reporting flow-through only on order types known to flow through obscures the full extent of manual processing to which electronic CLEC orders are subjected. SWBT has, with its present application, provided evidence of this sort of "total" flow-through rate (Ham Aff. ¶ 132 and Attachment X-2), and we will comment on that evidence below.

¹⁵⁰ The Commission has suggested on at least one occasion that manual rejects should count against flow-through rates. See BellSouth-Louisiana II ¶ 114 (manual rejects tend "to lower . . . flow through rates"). Also, the Texas PUC recently revised the PM 13 business rules to allow SWBT to exclude only CLEC-caused errors; however, SWBT claims it cannot differentiate CLEC-caused from SWBT-caused errors. Because both the Texas OSS testing and AT&T's commercial experience show that SWBT is responsible for material numbers of erroneous rejects, SWBT's inability to differentiate deprives flow-through data collected under PM 13 of probative value.

155. These definitional issues have a material effect on SWBT's reported flow-through data under PM 13. Thus, while SWBT reported, for September 1999, that 99.1% of EDI orders flowed through -- the actual EDI flow-through rate for that month was roughly 85%, if one adjusts the figure for manual rejects.¹⁵¹ The resulting number is, of course, seriously out of parity with SWBT's self-reported retail (EASE) flow-through rate of 91.9%. And this adjusted September number does not include other matters, such as erroneous SWBT rejections, which would reduce SWBT's flow-through rates materially.

156. A third reason that the flow-through rates reported by SWBT in PM 13 for EDI orders are misleadingly high is that -- at this early stage of local competition -- EDI is used primarily for simple UNE-P POTS orders. A more realistic indicator of SWBT's true fall-out rate is found in SWBT's reported performance data on orders placed through its LEX ordering system. Unlike EDI, which is currently only being used by a handful of CLECs -- and primarily by AT&T for UNE-P POTS orders¹⁵² -- the Texas PUC staff has reported that 25 CLECs are using LEX and receiving performance reports.¹⁵³ Because LEX orders follow a process flow

¹⁵¹ In fact, it was actually much worse than that in September, because, as AT&T discovered upon its review of the raw data underlying PM 13, SWBT -- contrary to the Business Rules governing PM 13 -- treated approximately 5,900 orders as flow-through successes, when they, in fact, were not. Although SWBT has now corrected this error, its September flow-through rate -- properly adjusted for manual rejects and SWBT's incorrect implementation of the business rule -- was below 80%.

¹⁵² According to the TPUC Staff, only 3 or 4 CLECs were using EDI anywhere in SWBT's five states as of early November 1999. TPUC Project No. 16251, Evaluation of SWBT Performance Measures by Staff of Public Utility Commission of Texas, 11/2/99, p. 19 (SWBT Appendix C, Vol. 135, Tab 1942, 11/2/99). SWBT now claims seven CLECs are submitting EDI production orders. (Ham Aff. ¶ 106.) SWBT's reported performance data shows that roughly [70% (18,840)] of the 27,312 November EDI LSRs were submitted by AT&T. Virtually all of AT&T's EDI LSRs were for simple POTS service via the UNE-Platform.

¹⁵³ TPUC Project No. 16251, Evaluation of SWBT Performance Measure Data By Staff of PUC of Texas, 11/2/99, pp. 18-19.

which is identical to that followed by EDI orders,¹⁵⁴ and because LEX usage more realistically reflects the flow-through performance which can be expected from a representative mix of CLEC order activity, we believe the performance measure results for LEX are likely to be a better predictor of SWBT's OSS flow-through capabilities than those for EDI, which is, today, weighted significantly toward the simplest transactions.¹⁵⁵

157. Present LEX flow-through rates are not favorable. Thus, even as measured by SWBT's defective PM 13, the flow-through rates reported for LEX were lower by 11.5% in September 1999 than those reported for EDI usage, 10.1% in October, 8.3% in November, and 9.9% in December.¹⁵⁶ Moreover, SWBT has never passed the Texas PUC's parity standard for LEX in any month reported to date.¹⁵⁷ Indeed, AT&T MOG-able orders, placed through LEX, had monthly flow-through rates as low as 40%.¹⁵⁸

¹⁵⁴ Ham Aff. ¶ 173.

¹⁵⁵ The Commission has previously noted its concern that flow-through rates may worsen as the number of complex orders for services other than POTS increases. BellSouth Louisiana II Order ¶ 110.

¹⁵⁶ SWBT Performance Measure Tracking Data, November 1999, PM 13. We should note that the narrowing of the difference between September and November does not reflect improvement in SWBT's LEX flow-through (which remained consistently between 87.5 and 88%), but rather degradation in EDI flow-through, which fell steadily from 99.1% in September to 96.3% in November.

¹⁵⁷ Like BellSouth in its second Louisiana application, SWBT has not disaggregated its data on CLEC flow-through rates by order type, making it difficult to determine how SWBT's flow-through rates compare for different (*i.e.*, simple vs. complex) order activities. (BellSouth-Louisiana II Order ¶ 110.) SWBT's failure to disaggregate the reported data is contrary to the business rule for Performance Measure 13, which clearly requires a break down "by UNE loops, Resale, UNE Combos, and other", as well as this Commission's own requirements. (*Id.*) SWBT's improper failure to disaggregate effectively prevents analysis of the types of order activity that are causing LEX data to show poorer performance.

¹⁵⁸ SWBT Performance Measure Tracking Data, November 1999, PM 13, AT&T only. Even at the low volume of test cases processed in the Telcordia testing, flow through rates for EDI and LEX were 89.5%, causing Telcordia to report that SWBT failed to meet the order process flow standard of 91.4%.

158. Finally, SWBT's self-reported flow-through rates for EASE -- which serve as the standard against which "parity" is determined in PM 13 -- are suspiciously low.¹⁵⁹ While SWBT reports for itself steadily declining EASE flow-through rates which drop from 94.2% in December 1998 to 91.3% in November 1999, the flow-through rates for EASE must be higher. Before SWBT started reporting performance for its retail and wholesale operations, SWBT had testified that its EASE flow-through rates were 99%.¹⁶⁰ Moreover, this figure is consistent with the flow-through rates achieved by CLECs using EASE for resale, which are consistently around 97%.¹⁶¹ Indeed, it makes no sense that SWBT's own sales representatives would achieve flow-through rates of only 91% to 92.9% since May, while CLECs using the very same system have consistently achieved 97% flow-through.

159. In sum, SWBT has failed to demonstrate that its EDI (or LEX) ordering systems provide CLECs with parity order flow-through. Defects in Texas PM 13 prevent the data reported under that measure from being probative, and when that data is adjusted for known errors, SWBT's flow-through rates are substantially reduced. Other data -- particularly from the

¹⁵⁹ When asked what was falling out in the retail environment to account for the 91% statistic, SWBT at first ventured that fall out associated with retail ADSL orders was impacting the rate, but then retreated from the theory and provided no substitute explanation. Open Meeting, TPUC Dockets 16251/20000, p. 650 (10/21/99) (L. Ham) (Attachment 24). AT&T's only theory is that orders entered in EASE that cannot be distributed in SORD are being captured in the retail statistic, while non-MOG-eligible orders are excluded in reporting EDI/LEX flow through rates.

¹⁶⁰ TPUC Project No. 16251, 4/24/98 Texas 271 Hearing Tr. 1390-94 (Ham Testimony) (Attachment 25). Ms. Ham now reports that SWBT only achieves about a 91% flow-through rate using EASE. (Ham Aff. ¶ 82.)

¹⁶¹ PM 13 shows that, since May 1999, CLECs have achieved flow-through rates ranging from 96.8% to 97.8%.